

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEW JERSEY**

Solverdi Worldwide, Ltd., an Australian public
company; Solverdi, LLC, a Delaware limited liability
company; and White Mountain Group, LLC, a
Delaware limited liability company,
Plaintiffs,
v.
BioFuels of Colorado, LLC, a Colorado corporation;
Thomas A. Davanzo, an individual; Robert Fedyna,
an individual; Investors Does 1-10; and Customers
Does
1-10,
Defendants.

ANSWER TO COUNTERCLAIMS

Plaintiff/Counter-defendant Solverdi, LLC (“Solverdi”) answers the Counterclaims brought by Defendants/Counterclaimants BioFuels of Colorado, LLC (“BioFuels”) and Thomas A. Davanzo (“Davanzo”) (collectively, “Counterclaimants”) as follows:

SUMMARY

1. Answering paragraph 1 of the Counterclaims, Solverdi denies the allegations contained therein.
2. Answering paragraph 2 of the Counterclaims, Solverdi denies the allegations contained therein.
3. Answering paragraph 3 of the Counterclaims, Solverdi denies the allegations contained therein.

PARTIES, JURISDICTION AND VENUE

4. Answering paragraph 4 of the Counterclaims, Solverdi admits that the Counterclaimants are Defendants BioFuels of Colorado, LLC and Thomas A. Davanzo. Solverdi denies all other allegations contained in paragraph 4 of the Counterclaims.

5. Answering paragraph 5 of the Counterclaims, Solverdi admits that the Counterclaim is brought against Solverdi.

6. Answering paragraph 6 of the Counterclaims, the allegations of paragraph 6 contain legal conclusions to which no response is required. To the extent a response is required to answer paragraph 6 of the Counterclaims, Solverdi denies the allegations contained therein.

GENERAL ALLEGATIONS

7. Answering paragraph 7 of the Counterclaims, Solverdi denies the allegations contained therein.

8. Answering paragraph 8 of the Counterclaims, Solverdi lacks knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 8 of the Counterclaims and therefore denies the same.

9. Answering paragraph 9 of the Counterclaims, Solverdi denies the allegations contained therein.

10. Answering paragraph 10 of the Counterclaims, Solverdi denies the allegations contained therein.

11. Answering paragraph 11 of the Counterclaims, the contracts referenced in paragraph 11 speak for themselves and Solverdi denies the allegations of paragraph 11 to the extent that they are inconsistent with the terms of the contracts.

12. Answering paragraph 12 of the Counterclaims, the contracts referenced in paragraph 12 speak for themselves and Solverdi denies the allegations of paragraph 12 to the extent that they are inconsistent with the terms of the contracts.

13. Answering paragraph 13 of the Counterclaims, the contract referenced in paragraph 13 speaks for itself and Solverdi denies the allegations of paragraph 13 to the extent that they are inconsistent with the terms of the contract. Solverdi denies the remaining allegations of paragraph 13 of the Counterclaims.

14. Answering paragraph 14 of the Counterclaims, the contract referenced in paragraph 14 speaks for itself and Solverdi denies the allegations of paragraph 14 to the extent that they are inconsistent with the terms of the contract.

15. Answering paragraph 15 of the Counterclaims, the contract referenced in paragraph 15 speaks for itself and Solverdi denies the allegations of paragraph 15 to the extent that they are inconsistent with the terms of the contract.

16. Answering paragraph 16 of the Counterclaims, the contract referenced in paragraph 16 speaks for itself and Solverdi denies the allegations of paragraph 16 to the extent that they are inconsistent with the terms of the contract.

17. Answering paragraph 17 of the Counterclaims, the contract referenced in paragraph 17 speaks for itself and Solverdi denies the allegations of paragraph 17 to the extent that they are inconsistent with the terms of the contract.

18. Answering paragraph 18 of the Counterclaims, the contract referenced in paragraph 18 speaks for itself and Solverdi denies the allegations of paragraph 18 to the extent that they are inconsistent with the terms of the contract.

19. Answering paragraph 19 of the Counterclaims, the contract referenced in paragraph 19 speaks for itself and Solverdi denies the allegations of paragraph 19 to the extent that they are inconsistent with the terms of the contract.

20. Answering paragraph 20 of the Counterclaims, Solverdi admits the allegations contained therein.

21. Answering paragraph 21 of the Counterclaims, the contracts referenced in paragraph 21 speak for themselves and Solverdi denies the allegations of paragraph 21 to the extent they are inconsistent with the terms of the referenced contracts.

22. Answering paragraph 22 of the Counterclaims, Solverdi denies the allegations contained therein. Solverdi's Complaint speaks for itself.

23. Answering paragraph 23 of the Counterclaims, the allegations of paragraph 23 contain legal conclusions to which no response is required. To the extent a response is required to answer paragraph 23 of the Counterclaims, Solverdi denies the allegations contained therein.

24. Answering paragraph 24 of the Counterclaims, Solverdi denies the allegations contained therein.

25. Answering paragraph 25 of the Counterclaims, Solverdi denies the allegations contained therein.

26. Answering paragraph 26 of the Counterclaims, Solverdi denies the allegations contained therein.

27. Answering paragraph 27 of the Counterclaims, Solverdi denies the allegations contained therein.

28. Answering paragraph 28 of the Counterclaims, Solverdi denies the allegations contained therein.

29. Answering paragraph 29 of the Counterclaims, Solverdi lacks knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 29 of the Counterclaims and therefore denies the same.

30. Answering paragraph 30 of the Counterclaims, Solverdi admits that BioFuels and Olson Precast entered into a lease, which speaks for itself. Solverdi denies all other allegations in paragraph 30 of the Counterclaims.

31. Answering paragraph 31 of the Counterclaims, Solverdi lacks knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 31 of the Counterclaims and therefore denies the same. Solverdi further affirmatively alleges that the referenced agreement speaks for itself and Solverdi denies any allegations in paragraph 31 of the Counterclaims to the extent they are inconsistent with that agreement.

32. Answering paragraph 32 of the Counterclaims, the complaint referenced in paragraph 32 speaks for itself and Solverdi denies the allegations of paragraph 32 to the extent that they are inconsistent with the complaint referenced therein.

33. Answering paragraph 33 of the Counterclaims, the complaint referenced in paragraph 33 speaks for itself and Solverdi denies the allegations of paragraph 33 to the extent that they are inconsistent with the complaint referenced therein.

34. Answering paragraph 34 of the Counterclaims, Solverdi denies the allegations contained therein.

35. Answering paragraph 35 of the Counterclaims, Solverdi lacks knowledge or information sufficient to form a belief as to what BioFuels was or was not aware of and believed or did not believe and therefore Solverdi denies the allegations contained in paragraph 35.

36. Answering paragraph 36 of the Counterclaims, Solverdi denies the allegations contained therein.

37. Answering paragraph 37 of the Counterclaims, Solverdi admits that it filed a Complaint against BioFuels and Davanzo in New Jersey state court and obtained a TRO, which speaks for itself. Solverdi lacks knowledge or information sufficient to form a belief as to whether the machine was reconfigured to produce home heating oil and therefore denies the same.

38. Answering paragraph 38 of the Counterclaims, Solverdi admits that BioFuels removed the New Jersey action to this Court. Solverdi lacks knowledge or information sufficient to form a belief as to the remaining allegations contained in paragraph 38 of the Counterclaims and therefore denies the same.

39. Answering paragraph 39 of the Counterclaims, Solverdi denies the allegations contained therein.

40. Answering paragraph 40 of the Counterclaims, Solverdi denies the allegations contained therein.

41. Answering paragraph 41 of the Counterclaims, Solverdi denies the allegations contained therein.

42. Answering paragraph 42 of the Counterclaims, Solverdi admits the allegations contained therein.

FIRST COUNTERCLAIM

43. Answering paragraph 43 of the Counterclaims, Solverdi incorporates by reference its answers to paragraphs 1 through 42 of the Counterclaims into its answer to paragraph 43 as if fully set forth herein.

44. Answering paragraph 44 of the Counterclaims, Solverdi denies the allegations contained therein.

45. Answering paragraph 45 of the Counterclaims, Solverdi denies the allegations contained therein.

46. Answering paragraph 46 of the Counterclaims, Solverdi denies the allegations contained therein.

47. Answering paragraph 47 of the Counterclaims, Solverdi denies the allegations contained therein.

48. Answering paragraph 48 of the Counterclaims, Solverdi denies the allegations contained therein.

49. Answering paragraph 49 of the Counterclaims, Solverdi denies the allegations contained therein.

SECOND COUNTERCLAIM

50. Answering paragraph 50 of the Counterclaims, Solverdi incorporates by reference its answers to paragraphs 1 through 49 of the Counterclaims into its answer to paragraph 50 as if fully set forth herein.

51. Answering paragraph 51 of the Counterclaims, Solverdi denies the allegations contained therein.

52. Answering paragraph 52 of the Counterclaims, the allegations contained in paragraph 52 include Defendants' request for relief to which no response is required. To the extent a response is required to answer paragraph 52 of the Counterclaims, Solverdi denies the allegations contained therein.

53. Answering paragraph 53 of the Counterclaims, the allegations contained in paragraph 53 include Defendants' request for relief to which no response is required. To the extent a response is required to answer paragraph 53 of the Counterclaims, Solverdi denies the allegations contained therein.

54. Answering paragraph 54 of the Counterclaims, the allegations contained in paragraph 54 include Defendants' request for relief to which no response is required. To the extent a response is required to answer paragraph 54 of the Counterclaims, Solverdi denies the allegations contained therein.

55. Answering paragraph 55 of the Counterclaims, Solverdi denies the allegations contained therein.

56. Solverdi denies any remaining allegation in the Counterclaims not previously, and expressly, admitted herein.

PRAYER FOR RELIEF

57. Solverdi denies that Defendants are entitled to any relief or have stated any claim upon which relief may be granted.

AFFIRMATIVE DEFENSES

58. The Counterclaims fail to state claims upon which relief can be granted.

59. Defendants failed to mitigate any damages in whole or in part.

60. Defendants are barred in whole or in part from bringing any claims by the principles of laches, estoppel, and waiver.

61. Defendants' claims are barred in whole or in part by the doctrine of unclean hands.

62. To the extent Defendants have stated any claim upon which relief may be granted, any such claim is subject to setoff and/or recoupment.

63. To the extent Defendants have stated any claim upon which relief may be granted, such claims were caused by the acts or omissions of parties over whom Solverdi had no control, thereby completely or partially barring Defendants' recovery as against Solverdi.

64. To the extent Defendants have suffered or sustained any damage, the damages were directly and proximately caused by Defendants' acts or omissions or the acts or omissions of a third party, thereby completely or partially barring Defendants' recovery as against Solverdi.

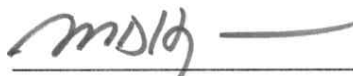
65. Solverdi reserves the right to amend and supplement these affirmative defenses as further proceedings may warrant and as the parties conduct discovery.

WHEREFORE, Solverdi respectfully requests judgment in its favor and against Defendants/Counterclaimants as follows:

- A. Dismissing the Counterclaims in their entirety;
- B. Awarding Solverdi its costs and attorneys' fees incurred; and
- C. For such other and further relief as the Court deems just and proper.

Dated: March 30, 2010.

Respectfully submitted,



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